

India Reduces Wood Product Import Tariffs

On February 28, 2005, India announced reductions in import duties on various products, including wood products. The duty reductions came as a result of India's decision to reduce the peak basic tariff from 20 percent to 15 percent. Import duties for most wood products, except logs were reduced. The reductions place the effective tariffs well below India's WTO bound rates for wood products, which are set at 40 percent for all of the items listed below, with the exception of builders joinery (HS 4418), which is unbound.

The effective customs duties are higher than the effective customs duties due to additional charges. Prior countervailing duties on logs and lumber have been removed, and a special additional duty (SAD) that has been removed on all imports, including wood and wood products. The effective duties include an education assessment ("cess") of 2 percent of the total applicable duty. In addition, goods shipped to some cities, such as Mumbai, will attract Octroi Duties, which is a tax payable on demand for goods brought into Mumbai for use, consumption, or sale (generally ranging from 2 percent to 8 percent) over and above customs duties; and customs clearing and forwarding charges may be in the range of 1 percent to 4 percent.

HS Code	Description	WTO Bound Rate	Basic Customs Duty	Effective Customs Duty	Former Effective Rate
4403	Wood in the rough (logs), stripped/treated or not of bark or sapwood, etc.	40%	5%	5.10%	9.20%
4407	Coniferous or non-coniferous lumber	40%	15%	15.30%	20.4%
4408	Veneer/sheets for plywood	40%	15%	34.44%	40.38%
4409	Wood, continuously shaped (including strips and friezes for parquet flooring, not assembled)	40%	15%	34.44%	40.38%
4410	Particleboard & OSB	40%	15%	34.44%	40.38%

4412	Laminated Wood (plywood, veneered panels)	40%	15%	34.44%	40.38%
4418	Builders' joinery and carpentry (wood panels, windows, doors, shingles)	Unbound	15%	34.44%	40.38%